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# COÖPERATION AMONG THE MORMONS <sup>1</sup>

## SUMMARY

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WHEN the Mormons entered Utah in 1847, they found themselves in what they regarded as virtually a desert. Sage brush, interspersed with bunch-grass, covered the hills and valleys, leaving only a green fringe of willows, wild rose bushes, and cottonwood trees along the few small creeks. Scattered tribes of Piutes — destitute nomads — were the only inhabitants. True, the mountain scenery impressed its rugged grandeur on the pioneers, but that did not relieve the desolation of the land itself. It cannot better be described than in the words of Captain Howard Stansbury, of the United States Army, who surveyed the Great Salt Lake Valley in 1849.

One of the most unpleasant characteristics of the whole country . . . is the entire absence of trees from the landscape. The weary traveller plods along, day after day, and week after week, his eye resting upon naught but interminable plains, bald and naked hills, or bold

<sup>1</sup> The writer wishes to express his sincere appreciation for the kindness of Mr John Graham Brooks, who has made numerous helpful suggestions concerning this article.

and rugged mountains: the shady grove, the babbling brook, the dense and solemn forest, are things unknown here; and should he by chance light upon some solitary cottonwood, or pitch his tent among some stunted willows, the opportunity is hailed with joy, as that of unusual good fortune.<sup>1</sup>

To reclaim this cheerless region, the pioneers diverted the water of the mountain streams to the parched ground, thereby being the first among Anglo-Saxon people to practice irrigation, which has later proved to be the very economic salvation of the arid West.<sup>2</sup> Gradually, but not without tremendous difficulties and hardships, the work of reclamation was extended and an increasing area of arable land acquired. Where formerly existed only a barren waste, now flourished thriving cities and towns; in place of the sage brush grew waving crops and verdant orchards. Nothing could be more eloquent of the industry and perseverance of the pioneers of Utah than the manner in which travelers, from 1850 to the present time, in describing their impressions of the state, have used the Biblical phrase, "made the desert blossom as the rose."

What were the economic forces which brought about this transformation — the methods used, the underlying social causes? Too little consideration has been accorded these questions. True, the Mormon religion has received ample attention. But in all the voluminous mass of labored explanation, partisan propaganda, sincere criticism, zealous defense, confessed antagonism, and dishonest villification which constitute the literature of that subject, the meagerness of scholarly effort to understand the economic life of the founders of Utah is astonishing. "Is it not worth while," asks Professor

<sup>1</sup> Captain Howard Stansbury, U S A, *Explorations and Survey of the Valley of the Great Salt Lake* Printed by order of the United States Senate, 1852, p 129

<sup>2</sup> Charles Hillman Brough, *Irrigation in Utah* Johns Hopkins University Studies in Historical and Political Science, Baltimore, 1898, pp 1-3

Ely, in one of the initial ventures into this field, "to pass over the religious controversies connected with Mormonism and their outcome and examine into the achievements and manner of life of the Mormons, so far as these things relate to economic and social matters?"<sup>1</sup> Within the limits thus laid out, one phase of such activities of the people of Utah stands out as more important and significant than the others — namely, their practice of coöperation. Not only did coöperation enter vitally into the economic life of the first settlers, but it has had a most far-reaching effect on their subsequent commercial and industrial affairs. With the nature of the Mormon system of coöperation, its characteristics, effects, and present status, this article purposes to deal.

The coöperation practised among the Mormons is found to be of three kinds, each distinct from the other, but each a logical development of the preceding type. They are: first, a period of informal but nevertheless highly effective and efficient coöperation, extending from 1847 to 1868; second, the foundation and growth of coöperative stores from 1868 to approximately 1890; and third, the development of a system of coöperative industrial enterprises, beginning in 1890 and continuing until the present time.

## I

If the term coöperative colonization appears at first glance to be a misnomer, it nevertheless accurately expresses the means by which the early settlement of Utah was effected. A brief survey of the Mormon policy in colonizing the territory is necessary in order fully to

<sup>1</sup> "Economic Aspects of Mormonism," *Harper's Magazine*, April, 1903, vol. cvi, p 667.

realize the truth of this. The first great fundamental fact from which all study of the period must proceed is that the Mormons were in Utah to build a home. The settlers of neighboring states were drawn west by prospects of mineral wealth or to engage in trapping or stock raising; but the Mormons made their memorable trek across the plains in search of a permanent abode where they could remain without further molestation.<sup>1</sup> Hence their scheme of colonization was one of home building. The towns and villages in Utah, therefore, were not established inadvertently or by individual initiative. On the contrary, they were a result of very definite plans.

When the first settlement had been made on the shore of the Great Salt Lake, parties were immediately dispatched into the neighboring valleys to discover other sites available for colonies. If a place was approved, a group was detached from the old settlement, which migrated bodily to the new location. Having reached the designated spot, the members did not then separate, but built their log houses together, often in the shape of a fort. Thus instead of isolated individual farms, as in the Middle West, there grew up a system of compact village communities. The cause was twofold. "When the settlers first occupied the land, it was necessary for them to remain in communities sufficiently large to repel Indian attacks and it was a policy of the church to encourage the building of compact towns rather than detached ranches, thereby enabling the people to meet more often socially — an antidote for nostalgia and a

<sup>1</sup> "In California, in Colorado, in Nevada, in Idaho, and in Montana, mining, rather than agriculture, was the motive which induced the original settlement by Americans and irrigation grew up only as an adjunct to the mining camp. In Wyoming, . . . stock raising was the first pursuit . . . In Washington and Oregon the first settlements were made along the humid coast. . . . But in Utah the motive was home building and the pursuit was agriculture for its own sake." William E. Smythe, *The Conquest of Arid America*, New York, 1905, pp. 51-52.

great assistance in maintaining interest in the church.”<sup>1</sup> The effect of such a system was a more sensitive community consciousness, greater cultural activity, and an easier adaptability to follow leadership in a common enterprise. The leadership was ready at hand in the ecclesiastical officers, and the peculiar physiographical and climatic conditions of the new country soon demonstrated that common and united effort was essential if the people wished to survive.

In the very nature of things this first common effort had to be agricultural. The immediate need was to provide a food supply. The pioneers had brought only a meager store of provisions with them, because of their hasty enforced departure from Illinois. The hazardous journey of three months across a thousand miles of prairie precluded any reliance upon the East for sustenance, nor did the Mormons, remembering their recent experiences, wish to be thus dependent. They must feed themselves or starve. Accordingly, Brigham Young advised his co-religionists to attach themselves at once to the land and raise their own food. He exhorted them strictly not to attempt at first any mining enterprises, for he realized that as conditions then existed such pursuits would separate and demoralize the people, thereby endangering the identity and permanence and even the temporary existence of Mormon colonization.<sup>2</sup> As a colonizer, facing a strictly practical question, he perceived what has since been so plainly evident to the sociologist and the historian — that the

<sup>1</sup> R. S. Baker, “The Vitality of Mormonism,” *Century Magazine*, June, 1904, p. 171.

<sup>2</sup> The Mormon people as a whole followed this advice undeviatingly. Obedient to orders, they paid no attention for many years to the vast mineral wealth lying in the mountains at their doors, but contented themselves with assuring their future by agriculture. It remained for subsequent non-Mormon settlers to open up the rich Utah mines. Later, however, Mormons entered the mining field and today among their number are many of the leading mining men in the state.

stability of character of any people goes with foothold on the soil.

The vital need of food crops being so acute, the problem was reduced to one of production. And the new conditions made that an issue of such magnitude as to stagger a people less determined than the Mormons or a leader less resourceful than Brigham Young. Accustomed to the methods of farming used in the Mississippi Valley, they found here a mean annual rainfall of ten to twenty inches only. A new system of agriculture had to be devised; that system was irrigation. It is fairly certain that Brigham Young knew nothing of irrigation before reaching Utah. Whether he acquired a knowledge of it from the Indians, or indirectly from the Mexican Spaniards, or otherwise, is immaterial. The thing of importance is that it proved precisely the method to solve the problem which confronted the pioneers.

After the first experiment with irrigation proved successful in Salt Lake City in 1847, all the settlements made it the basis of their farming. When a colony had been located, the very first measure was the construction of the canals and ditches to carry the water from the mountain streams to the fields. In many instances it had to be brought a considerable distance, and only the simplest hand tools were available. The individual could not expect to cope with such a formidable task successfully. Only by the concerted effort of the whole community could the farmers secure the water needed to irrigate their crops. So "a destitute people, having no resources save the genius of their leader and the labor of their own hands, resolved to associate and organize their efforts to bring the water on, as the people of Holland were compelled to coöperate to keep the water out."<sup>1</sup> Thus the Mormons began the practice of that

<sup>1</sup> Charles Hillman Brough, *Irrigation in Utah*, pp 12-13

great system of coöperation which has since proved to be their economic salvation.

Acting as a unit, the whole colony built the irrigation system. First, the dams to store the water in an artificial reservoir, or the headgate to divert it, were constructed; next, the canal itself was dug; and finally, the ditches and subditches leading to the individual fields were made.<sup>1</sup> If the work was unduly extensive or difficult, all assisted in each of these separate phases, but usually some division of labor was possible. Generally the bishop of the town, who was the ecclesiastical executive officer and chief spiritual adviser, acted also as supervisor of this important practical part of colonizing. He it was who assigned the men to their various tasks and exercised a general oversight as to the entire operations. That such a method succeeded was due in no small part to the remarkable efficiency of the Mormon church organization<sup>2</sup> with its ingrained habit of implicit obedience to authority. Of the effect of this influence Professor Ely says: "Individualism was out of the question, and in Mormonism we find precisely the cohesive strength of religion needed at that juncture to secure economic success."<sup>3</sup> It was no uncommon thing,

<sup>1</sup> The greatness of this task appears from the following description of irrigation by Brough "The methods of irrigation pursued by these conquerors of the desert, unaided by capital or previous experience, were almost identical with those in vogue at the present day Canals were run from the canyon out upon the more level land of the valleys and there sub-divided into branch canals, and these again divided into laterals leading to every farm so long as there was water to be distributed Each farmer had canals leading from the main one to every field, and generally along the whole length of the upper side of each field Each field had little furrows a foot or more apart and parallel with each other, running either lengthwise or crosswise or diagonally across as the slope of the land required Into these furrows the water was turned, one or more at a time, as the quantity permitted, until it had flowed nearly to the other end, when it was turned into the next furrow, and so on until all were watered" *Irrigation in Utah*, pp. 9-10.

<sup>2</sup> "So far as I can judge from what I have seen, the organization of the Mormons is the most nearly perfect piece of social mechanism with which I have ever, in any way, come in contact, excepting alone the German army." R T Ely, "Economic Aspects of Mormonism," *Harper's Magazine*, April, 1903, p. 668.

<sup>3</sup> *Ibid.*, p. 669.



at an early day in Utah history, to hear the bishop in the Sunday services order a certain number of men and teams to report for work on the canal during the ensuing week. For the invariable answer to this summons economic necessity was perhaps responsible as well as religious training. In such a way the canals were provided.

It need hardly be said that the pioneers performed this labor without pay. Their method of procedure was not concerned with capital or wages. By the very exigencies of the situation there could be neither. The only capital they possessed consisted of their own united strength and of this they contributed in approximately equal shares. Each man could therefore justly anticipate a fair proportion of the only remuneration possible to hope for — namely, the use of the water from the completed irrigation system.

When the water was finally secured, the question of its distribution was settled without difficulty by the application of simple coöperative principles. Each man was allowed the use of the water in such quantity and for such a length of time as was proportionate to the labor he had performed in the construction of the canal. In calculating this the use of his horses or oxen was counted in, if he had any. The right to continue utilizing the proportion of water assigned was dependent upon whether the individual, with his land, could make what is now legally termed a "beneficial use" of it. If not, he must give up the unused surplus to others who needed it, the amount of compensation being based on the labor of the first in the original building. Similarly, when a man moved from the particular irrigation system, he disposed of his water right to those staying. At first the irrigators looked rather to the use of the water than to any vested interest in it; but when finally

they secured legal title to it, as "shares of water," (computed either according to "second feet" or to the quantity needed to irrigate an acre), the previous relative distribution remained absolutely unchanged.

The general result was a practically equal division of water rights. Several causes combined to bring this about. In the first place, as has already been suggested, the coöperators all did substantially the same amount of work in the same time, because, by reason of their universal poverty, no one was equipped to do more than the man at his side. Again, they dreaded a monopoly of the water, for it was clear that their ability to farm depended upon each individual possessing the right to utilize it. Finally, Brigham Young had inaugurated a system of land ownership which tended towards an equitable result in the ownership of the water. Under his plan each man was to receive a tract of land no larger than he could farm by the most intensive cultivation. Accordingly, when Salt Lake City had been laid out into squares, or "blocks," of equal size (the same plan was subsequently followed elsewhere) each containing ten acres, the settlers received their land on this basis. In the center of the town a few blocks were divided into lots of one and a quarter acres, these to be owned by merchants and professional men with little time for any form of agriculture except gardening, altho at first such classes constituted a negligible part of the social body. Adjoining the center blocks was a tier in which the lots were of five acres, and formed the homes of artisans, mechanics, and laboring men, who, by devoting odd moments from their regular occupations to the cultivation of their land, could materially supplement their income. On the outside, in the "Big Field," lay the real farms. Varying in extent from ten to thirty acres, they were allotted to the owner according to the number

and working capacity of his family. Those who received the larger land holdings were expected to work a proportionately longer time on the canals. The outcome was not only an equitable division of the realty, but also an assurance that everyone, either by vocation or avocation, should till the soil. And since, in the beginning, the church authority was supreme, the plan was rigidly carried out. Combined with the dread of water monopoly and the general equality of laboring capacity, it tended inevitably toward an equal distribution of irrigation rights.

But did the plan of distribution reach the end its sponsors anticipated? Did it actually work out fairly, as any coöperative scheme should? What the people themselves thought of it is best shown from the fact that they have since utilized practically no other plan. Only the coöperative method has ever been popular in Utah. In neighboring states foreign capital has often been induced to construct irrigation plants with a view solely to selling the water to the farmers. Newell comments on the failure of such enterprises in Utah as follows: "There are very few large structures built by capital obtained outside the state and so far as can be ascertained, all investments of this character have been financially unsuccessful."<sup>1</sup> Universal acceptance of coöperation would not long have continued if the people had not remained convinced of its inherent fairness as well as its practicability. If defects existed, capable of being exploited by the more shrewd to their advantage and the subsequent detriment of others, none of the coöperators perceived them. "If the Mormon leaders," says Smythe, "had desired to organize their industrial life in a way to make large private fortunes for themselves, no single item in the

<sup>1</sup> Newell, *Irrigation in the United States*, p. 355.

list of Utah's resources would have offered a better chance for speculation than the water supply. It was perfectly feasible under the law for private individuals or companies to appropriate these waters, construct canals, sell water rights, and collect annual rental. By adopting this method, which widely prevails in other western states, they could have laid every field, orchard, and garden — every individual and family — under tribute to them and their descendants forever.”<sup>1</sup> Yet not a single instance of such injustice has ever been pointed out. Indeed the very satisfaction of the people with their system, together with the advice of the church to avoid law suits and its practice of arbitrating disputes among its members, led to the rather curious result that the fundamental principles of irrigation law were formulated in California; altho irrigation was not applied in that state until 1849, two years later than among the Mormons.

Of the practicability of the Utah plan the results furnish the most satisfactory test. Beginning with no capital whatever, inexperienced in the new kind of agriculture, entirely out of communication with the rest of the world, the pioneers in an incredibly short time had constructed irrigation systems the extent and value of which dispel all doubts as to the feasibility of the coöperative method. The following statistics Bancroft gives for a period three years before the first railroad reached Utah and eighteen years after the arrival of the first settlers: “In 1865, 277 [canals] had already been constructed at a cost, including dams, of \$1,766,939, with a total length of 1,043 miles, irrigating 153,949 acres, and there were others in progress at this date the cost of which was estimated at \$877,730.”<sup>2</sup> Finally it

<sup>1</sup> *Conquest of Arid America*, p. 59.

<sup>2</sup> Bancroft, *History of Utah*, San Francisco, 1890, p. 722.

can be stated that the Mormons at the present time continue to utilize in large measure the identical means of securing irrigation water as at first. Long continued use and impracticability seldom go together.

While the acquisition of water furnished the principal reason for associated endeavor in the colonization of Utah, it was by no means the only one. In exactly the same manner the logs from the canyons and the sundried adobes were obtained with which to build the houses. Similarly, the community constructed the usual palisade for protection against the Indians. Last, but most important, coöperation made it possible to put up at once, as was universally the case, the town meeting house, which served alike for religious worship, civil government, amusement center, and schoolhouse.

It is perhaps open to controversy whether the first Mormon system conforms with the usual technical requirements of a coöperative society. Certainly there existed no formal associative body as such. The colonists acted, not in pursuance of a definite code of rules and regulations previously drawn up, but because, with their nature and ideals and under their environment, their course was the natural and logical one to follow. But what the initial effort at coöperation lacked in formality, it made up, as has been shown, in inherent strength, adaptability, and efficiency. Determined as much by economic need as by conscious planning, a practical rather than a theoretical scheme, it nevertheless served its purpose effectively and completely. Its object was to support a people and furnish them a home; it succeeded in attaining that object. Despite its informality, this first type of Mormon coöperation approached more nearly to coöperative ideals than either of the stages which followed. It is fairly within reason and the facts of the case to conclude

that it possesses the attributes which Holyoake sets out as essential to true coöperation — namely, it “commences in persuasion, it proceeds by consent, it accomplishes its ends by common efforts, it incurs mutual risks, intending that all its members shall mutually and proportionately share the benefits secured.”<sup>1</sup>

## II

The second phase of coöperation among the Mormons was evidenced in the establishment of coöperative stores. For a people whose whole attempt to settle the territory was based on mutual assistance, the transition from united effort in colonization to associative organization in commerce was but a logical development. The change was in no wise perplexing to them; should not the same principles of coöperation which experience had demonstrated to be so effective in founding their communities prove equally desirable when applied to trade? This is precisely what happened. But a clear conception of the Mormon coöperative stores can hardly be hoped for unless they are viewed in relation to the background of early Utah commercial history.

In the very nature of things commerce was non-existent at first. The primal necessity was to take measures to survive; and, beyond that, the few needful exchanges of commodities were effected by barter. The isolation of the pioneers added another factor. No money was to be found, and, in any case it would have been valueless for lack of purchasing power. But as the settlements became more firmly established, immediate wants were satisfied, and a scant surplus of food supplies came into existence. This furnished a medium with which to trade for other needed articles and also a

<sup>1</sup> History of Coöperation in England, vol. i, p. 3.

commodity to sell. But who could buy? Purchasers appeared among the new immigrants, composed of recently arrived co-religionists. Moreover, a steady stream of gold seekers passed through Salt Lake City on the way overland to California. These people gladly gave the best of their adequate supply of eastern goods for Utah foodstuffs, or else paid the highest prices, in order to hasten their arrival in the modern El Dorado. This traffic led to the establishment, in 1849, by two non-Mormons, of the first store in Utah. From this time forward commercial development was more rapid. But aside from the few local products, the whole quantity of goods had to be freighted across the plains. Naturally, this gave rise to extremely high prices and, at the very best, a precarious supply. Finally, the first transcontinental railroad, the Union Pacific, reached the construction stage, and by 1868 was ready to enter Utah. At this point the Mormons set up their great system of coöperative stores.

The first attempt was an isolated one, typical of the others, but virtually unconnected with them. It is worthy of notice because of its priority and because of the peculiar conditions which gave rise to it. While Israel Evans of Lehi was in England on a mission from 1853 to 1857 (the Mormon Church has maintained an active propaganda abroad since its incorporation), he came in contact with the English coöperative stores and made a study of them. Upon his return home he announced his belief that the scheme could be installed among his own people to great advantage. As a result, an organization was effected under the name of Lehi Union Exchange, supposedly of the Rochdale type. With a capital of but \$350, divided into shares of \$25 each, and distributed among the maximum number of shareholders, it opened its doors for business on July 23,

1868, the first coöperative store in the West. The enterprise met with immediate success, so much so that at the end of the first six months a dividend of \$28.20 per share was declared.<sup>1</sup> But this initial prosperity did not endure, and the following year the Exchange was merged into the state-wide structure of coöperative stores which in the meantime had been built.

The very foundation of this structure was the Zion's Coöperative Mercantile Institution, familiarly called the "Z. C. M. I." The leaders of the Mormon people established this organization by their own personal counsel and action, supervised its conduct and development, and directed its affairs. It served as the great prototype to all the smaller stores throughout the Mormon domain and was closely connected with them by business ties. It becomes essential, therefore, to know the forces and facts which brought the concern into being, for without them a correct understanding of commercial coöperation in Utah is impossible.

In defining the causes which led up to the founding of Zion's Coöperative Mercantile Institution, little assistance need be expected from the few investigations thus far accorded the matter, because they are so wholly at variance with each other. But whatever their intrinsic merit, they at least furnish divergent paths of approach to the problem, so they must briefly be considered.

What may fairly be termed the non-partisan view is set forth by Tullidge in his *History of Salt Lake City*. At the time of writing, the author had withdrawn from the Mormon Church, but still retained the confidence of his former associates. He says:

It must be confessed that Utah commerce, before the opening of our mines, gave all the money to a few hands. And this was one of

<sup>1</sup> A store which paid 113 per cent dividend on shares — not according to the amount of goods purchased — might well have astonished the Rochdale coöperators, after whose system it purported to be modeled, but such was the fact.



the immediate causes that brought forth Z. C. M. I.; as the leaders of the Church conceived it to be their broad duty, at length, to construct for the community a broader and more equitable system of commercial existence. . . . In 1868-69 the Mormon Church was brought face to face with implacable necessities which seemed about to weaken her. . . . Should the vast money agencies which had so grown up among her people, in the country which she had settled, at length overwhelm her; or should she, by combinations of her own, place these agencies at her back and preserve her supreme potency? Brigham Young answered these vital questions in the organization of the Z. C. M. I.<sup>1</sup>

The distinctly anti-Mormon opinion is found in Stenhouse's *Rocky Mountain Saints*. Stenhouse was an apostate from the Church and his book is a bitter arraignment of all things Mormon. He states:

. . . Later in the same year the Prophet conceived the idea of uniting all the Mormon merchants in one grand, coöperative, commercial scheme, by which he hoped finally to be able to "freeze out the Gentiles" who were then in business, and discourage those who might have entertained the idea of coming there when the railroad was finished. . . . He contemplated one general, wholesale, coöperative store that would supply branch stores in every ward in the city and in the country with all the goods that would be necessary for the peoples' consumption.<sup>2</sup>

Whitney in his *History of Utah* presents the pro-Mormon view of the matter. The author, who was a prominent official in the Mormon Church, makes the following explanation:

Meantime the railway was becoming an accomplished fact. . . . For years the burden of the Tabernacle discourses had been: "Trade with and sustain your friends; let your enemies have none of your substance with which to work your downfall." It is true that up to this time the line had not been religiously drawn, for among the Gentile merchants were many who in their social and business intercourse with the Saints had won their confidence and were numbered among their friends. But as the railway project became more tangible there were threats and rumors, at first vague but afterwards

<sup>1</sup> Edward W. Tullidge, *History of Salt Lake City*. Printed "by authority of the City Council and under the supervision of a committee appointed by the Council and the author," Salt Lake City, 1886, pp. 383-84.

<sup>2</sup> T. B. H. Stenhouse, *The Rocky Mountain Saints*, New York, 1873, pp. 625-26.

definite and openly avowed, that that great civilizing agency would be used to break in pieces the Mormon Church. . . . Hence the instructions of the leading men . . . became more and more positive as the locomotive drew near, . . . that "a Latter-day Saint should not trade with an outsider." . . .

The enunciation of the exclusive commercial policy in the latter part of 1868 must be understood as only a preparatory step to the introduction of other measures. Among these nothing was more prominent than the establishment of coöperation.<sup>1</sup>

In one thing at least these excerpts concur; and that is the belief of both Mormon and non-Mormon that the advent of the railroad would effect a serious change in the status of commercial relations. There is evidence tending to prove that on the part of the Mormons it was feared the change would be inimical to them, for they suspected their local enemies of a design to utilize the new situation to crush out Mormonism entirely.<sup>2</sup> Whether these fears were justified is not important here. For the present purpose it is sufficient that such trepidation existed, and that it was translated to some extent into economic action. But granting existence of these feelings, does it follow, as the writers quoted seem to infer, that they were the main reason for the establishment of the Z. C. M. I ?

Such a ground seems entirely too narrow to account for the actual results; the ultimate, moving cause must be sought elsewhere. For twenty years the people had now practised coöperation. With its aid they had founded their colonies; by its use they had constructed their whole irrigation system. Their entire experience with associated endeavor had witnessed only the most beneficial results, consequently the utmost confidence prevailed in the doctrine. To the most casual observer

<sup>1</sup> Orson F. Whitney, *History of Utah*, Salt Lake City, 1893, vol. II, pp. 278, 279, 280.

<sup>2</sup> See, for example, G. Q. Cannon's remarks, *Journal of Discourses* (a compilation of Mormon sermons), October 7, 1868, vol. XII, p. 290.

See also remarks of Orson Pratt, October 6, 1868, *ibid*, vol. XII, pp. 305-07; and of Brigham Young, *ibid*, vol. XII, pp. 301, 310, 312.

the peculiar genius of the Mormon people for the system, and the adaptability of the conditions to it, must have been patent. Is it strange, then, that Brigham Young should have proposed the extension of coöperation into the commercial field? Or that the people, in the light of the immediate past, so readily responded? The conclusion is inevitable. Perhaps the Mormon fear of a remotely possible economic subserviency gave the immediate impulse toward the establishment of the Z. C. M. I.; possibly too the movement was hastened by the success of the Lehi undertaking; and it is within the bounds of probability that Brigham Young may have been influenced by personal knowledge of consumers' retail associations in England, since he had spent considerable time there about 1846. But if these factors were influential at all, it was only as relatively unimportant concurring causes. The real proximate cause, which fully and logically accounts for establishing the Z. C. M. I., is found in the experience of the people with coöperation and its palpably evident fitness for the existing conditions.

A survey of the actual facts of the establishment of the institution bears out the correctness of this conclusion.

Agitation of the Mormon leaders for a "self-sustaining" people was the initial step in the movement. It got under way in the early fall of 1868, and, when the semi-annual conference met in October, formed the principal topic of discussion. Finally, Brigham Young presented the issue to the people in the form of a resolution, which was adopted in the usual Mormon fashion.<sup>1</sup> Somewhat later he explained his intentions as follows:

What I have in mind with regard to this coöperative business is this: — There are very few people who cannot get \$25.00 to put into

<sup>1</sup> "The question is not whether we have the right to be self-sustaining or not, but will we be self-sustaining That is the question and we say we will be What do you

one of these coöperative stores. There are even hundreds and thousands of women, who, by prudence, can obtain this sum. And we say to you, put your capital into one of these stores. What for? . . . [They] are instituted to give the poor a little advantage as well as the rich.<sup>1</sup>

But it needed little persuasion to win approval for the proposed scheme. In less than ten days after the conference sufficient stockholders had been secured to make possible a temporary organization. This was effected on October 16, 1868, Brigham Young being elected president and leading Mormon officials filling the directorate. With such a formidable array of officers the sponsors set to work to secure further support. Their procedure in obtaining it was different from that common to previous English coöperative systems. In contradistinction to the Rochdale stores, which accepted only subscriptions in money, the promoters of the Z. C. M. I. urged all Mormon merchants in Salt Lake City to become shareholders, and issued certificates in exchange for their goods and buildings on hand. By this method a stock of merchandise valued at several hundred thousand dollars was obtained, in addition to cash from subscribers who were not merchants. During the ensuing winter the project lagged in Salt Lake City, altho smaller "coöps" sprang into existence in several of the settlements at once, notably in Provo and St. George. But by early spring preparations had been completed, and on March 1, 1869, the Zion's Coöperative Mercantile Institution (called at first Zion's Wholesale Coöperative Store), opened its doors for business. This occurred in one of the stores exchanged with the company for stock. Shortly thereafter other branches

say, brethren and sisters? All of you who say that we will be a self-sustaining people signify it by the show of your right hands (The motion was put and unanimously carried)" October 8, 1868 *Journal of Discourses*, vol. xii, p 286

<sup>1</sup> April 6, 1869, *ibid*, p 373

began operations in similarly transferred establishments. Over all these was placed the All-seeing Eye and the motto, "Holiness to the Lord." Within a month the institution had a stock of goods on hand worth \$450,000. Finally, on December 1, 1870, the store was formally incorporated with a capital stock of \$220,000. The preamble of the articles of incorporation read:

The inhabitants of Utah, convinced of the impolicy of leaving the trade and commerce of their Territory to be conducted by strangers, have resolved, in public meeting assembled, to unite in a system of coöperation for the transaction of their own business, and for the better accomplishment of this purpose have adopted the following constitution:<sup>1</sup>

Z. C. M. I. prospered from the beginning, the first year's sales amounting to \$1,230,000. Altho most of the goods exchanged for stock were taken at the high rate current in the territory before the railroad reached Utah, the venture flourished nevertheless. This was not only a tribute to the principles upon which the store purported to be based, but also to the sagacity of its managers, who in general were none other than the merchants who had traded their goods into the new concern. The vitality of the Institution may be judged from the fact that in the panic year of 1873 it boldly began the construction of what was in those times an unusually large building, which was completed in 1875, bringing the heretofore scattered branches into one plant. In 1895 the company was re-incorporated with a capital stock of \$1,070,000. Somewhat later the

<sup>1</sup> Zion's Coöperative Mercantile Institution Agreement, Order, Certificate of Incorporation, and By-Laws Published in Deseret News Book Store, 1870

Compare this with the objects of the Rochdale Equitable Pioneers "The objects of this society are to form arrangements for the pecuniary benefit and improvement of the social and domestic conditions of its members, by raising a sufficient amount of capital, in shares of one pound each, to bring into operation the following plans and arrangements" Catherine Webb, *Industrial Coöperation* (5 ed ), p 68.

spacious building now occupied by the home store was erected.

But by far the most significant consequence of establishing the Z. C. M. I. was the universal adoption of mercantile coöperation throughout the territory of Utah. In practically every Mormon city, town, and village a coöperative store was started. The movement spread with unexampled rapidity, the method being, curiously enough, from the central body to the local branches — just opposite to the British line of development. The shares in each “coöp” were held by local residents, who exercised entire control of the management, but sentimentally at least they looked to the Z. C. M. I. as the head of their system, and for the most part at first secured their supplies from it. Wherever the colonization projects of the Latter-day Saints were carried, there was to be found a local “coöp.” At the present time most, perhaps, of the Mormon settlements in Utah, western Colorado, Arizona, New Mexico, southern Nevada, Idaho, southwestern Wyoming, Alberta in Canada, and Sonora and Chihuahua in Mexico have coöperative stores. A conservative estimate of their number would be approximately 150.<sup>1</sup> A few of these stores have ceased to operate. In the enthusiasm of initial success several proposed venturing into milling and manufacturing, but in general nothing came of it. A number were wrecked by this very exuberance, but the management of practically all of them was so conservative and sound that they still survive.

How do these outlying coöperative stores compare in plan of organization and in the manner of conducting

<sup>1</sup> This is the number which the Z C M I gives, as obtained from their business dealings with the smaller stores. Assistant Church Historian Andrew Jenson, who, among Mormon officials, is best qualified to speak on the matter, informs the writer that, while he does not doubt the reliability of this estimate, he is inclined to believe there were certainly not more than one hundred and fifty small stores and the number might very well have been less.

business with well-recognized systems elsewhere, such as the Rochdale plan? Capital was provided by the stockholders in shares usually of \$25, but not uncommonly of \$10, in order to bring the stock within almost universal reach. In general it was sought to obtain the head of each family as a shareholder. Goods were sold at market price, but at first a not inconsiderable part of the business was the exchange of dry goods for farm produce. In such transactions some of the "coöps" issued their own paper script which was redeemable later in merchandise. A few stores accepted tithing script, from the church tithing offices, in payment. There seems to have been no fixed rule as to giving credit, but the practice was much more common in later years than in the beginning. The close religious bond between the Mormons effectively eliminated any practice of short weights or measures, or the wilful sale of impure goods.

Thus far there is no dissimilarity between the Mormon and Rochdale systems. It is in the manner of dividing profits that the greatest apparent difference is found. So far as can be ascertained, profits in the Utah coöperative stores were always distributed on the basis of the shares of stock held and not according to the amount of goods bought. The Rochdale device of giving metallic disks with each purchase in order to determine, at stated periods, the total quantity of trading done, was unknown among the Mormons. Nor was any fixed charge paid to capital other than the dividends. (As a matter of fact, the dividend returns have usually been at the current rate of interest in the West, from 6 per cent to 9 per cent; so they have approximated a fixed amount.) But this deviation in division of profits from the English method did not necessarily mean that different results were obtained.

In the first place, the shares in the store, as to most cases, were almost evenly divided among the members. Again, practically all the stockholders were farmers, each facing the frontier problems and conditions common to his neighbors. Little variation therefore occurred in the amount and kind of goods each had to buy from the store. Hence, given a certain amount of profit, substantially the same amount would be apportioned to each coöperator whether the division was made on shares or on purchases. This was particularly true in the years immediately following the establishment of coöperation, but increasingly less in after years, when the economic conditions of individuals became more diversified.

The method of voting was another characteristic in which the Mormon stores differed from the British type. Voting has always been based on shares, as in ordinary joint stock corporations. In the beginning this amounted virtually to "one man, one vote," because the members held the same amount of shares. With the lapse of time and the passing of uniformity of shareholding in the association, equality of voting power also ceased.

No difference is perceivable between the Utah and Rochdale types as to management. The Mormon coöperators periodically elected a board of directors from their own number to control the company's general policy and a manager to have charge of the business transactions. Full and complete reports were rendered to the members at stated intervals.

From this comparison it is evident that the Mormon coöperative stores differed from the English consumers' retail associations in certain aspects of organization and method. But the variation was one of form rather than of substance. On the whole, each used about



the same means to accomplish the same ends — a widespread ownership of the store by the purchasers of its goods, and an equitable division of its profits. This was particularly true of the Utah concerns in the beginning. With an appreciable part of the population as stockholders in the town “coöp,” it represented, not a business under the control of a single proprietor, nor one dominated by a syndicate composed only of a few members, but the concerted effort of a multitude of small owners to carry on trade for their common benefit. It seems but reasonable to conclude that the Mormon coöperative institutions possess the characteristics common to the Rochdale type. However that may be, there is no gainsaying that the local “coöps” furnished the most suitable means for satisfying the commercial needs of the times. By their use a people with the most meager capital, acting jointly, was able to supply the settlements with merchandise to an extent not possible of attainment otherwise, as conditions then existed; and at the same time to reserve all the profits to themselves. No matter how the Mormon system be classified in comparison with other types of coöperation, its effectiveness for the purpose at hand remains indisputable.

After the lapse of half a century certain changes took place. The idea of connecting all the local establishments with the Z. C. M. I. has long been abandoned, and today several other wholesale houses in Utah are close competitors for their patronage. As to their methods of conducting business, there has certainly been some departure from early standards. To a limited degree the shares of the country institutions have come to be concentrated in the hands of the more shrewd, resourceful, and powerful stockholders. The existence of such a tendency is acknowledged even by

the most ardent advocates of the system. In so far as such a change has occurred, the real coöperative characteristics of the stores have been destroyed, because the very essence of coöperation in the early Mormon stores lay in their ownership by a large number of shareholders who had each contributed about the same amount of capital. But the extent of these inroads on the early system must not be exaggerated. Nearly all the stores still have an extensive list of stockholders, so many in fact that it is probably not an overstatement of the present situation to assert that the outlying stores retain most of the benefits intended by their founders.

Can a similar claim be made for the Z. C. M. I.? Beyond doubt it is a successful business enterprise. Its capital still remains at \$1,070,000, but its operations have reached gigantic proportions. The shares, which were originally subscribed at \$100, today have a market value of \$389. The stockholders now number approximately 650. From the beginning dividends on stock average 11 per cent, but at present are on a 20 per cent basis. To date the company has paid in total dividends \$5,281,628.15. It employs 700 people, whose wages make an annual expenditure of \$600,000. Sales for the fiscal year 1915-16 amounted to \$6,160,698, and total sales to date reach the sum of \$176,500,000. Besides conducting the manifold activities of a modern department store, together with an extensive wholesale business, the Z. C. M. I. manufactures shoes and duck clothing. The capacity of this one department is 500 pairs of shoes and 100 dozen "overalls" daily, the raw materials for which cost \$140,000 a year. The stock still remains mostly in Mormon hands, altho some of the shares infrequently appearing on the market have been acquired by non-members of the Church. Joseph

F. Smith, president of the Church, is also president of the Institution; and with two exceptions his ecclesiastical predecessors have likewise been at the head of the company.<sup>1</sup> Perhaps most of the trade is still carried on with Latter-day Saints, but the patronage of the store, both in retail and wholesale, is far from being exclusively with Mormons.

Granting the financial success of the Z. C. M. I., there still remains the question whether it is, in fact, as coöperative as its name implies. Critics have not hesitated to assert that it is not in the slightest degree coöperative. Stenhouse regarded it merely as Brigham Young's private weapon to drive the Gentiles out of business with the ultimate purpose of clearing them out of the territory.<sup>2</sup> Albert E. Wilson, writing in a German periodical, designates it a "combine" and "trust" and argues that "on account of its organization and the method of dividing profits, we must deny the Zion's Coöperative Mercantile Institution its coöperative character."<sup>3</sup> Even Whitney concedes:

<sup>1</sup> The eighth article of the present charter of the Z C M I states: "The directors and officers of this corporation shall be elected by ballot, at the general meeting of the stockholders, to be held on the fifth day of April in each year, and the persons receiving a majority of the votes cast at such meeting, shall be held and declared to be elected . . . Each stockholder shall be entitled to as many votes as he holds shares of capital stock . . ." *Zion's Cooperative Mercantile Institution. Articles of Re-incorporation, etc.* Salt Lake City, Utah George Q Cannon & Sons Co., Printers, 1895, p 5

<sup>2</sup> *The Rocky Mountain Saints*, pp. 626-27

If such were the purpose, it proved a signal failure, for Bancroft states (*History of Utah*, p 654): "Soon, however, even the Mormons began to disregard their leaders against trading with gentiles or apostates. The spell was broken and during the Conference of 1870 the stores of the latter, and especially of the Walker Brothers, were so crowded with purchasers that it was impossible for them to serve their patrons." One would suspect that if the Mormons really started the Z. C. M. I. to rid themselves of outside competition, they would have made a more determined effort than these facts indicate, because in other respects at that time they exhibited no lack of resource or power

<sup>3</sup> "Soweit diese Angaben zutreffen wurden sie die Gestalt zu einer gewöhnlichen Aktiengesellschaft stempeln. Angesichts der Tatsache, dass die Einzelgeschäfte schon vorher bestanden, haben wir es seit 1868 mit einer Fusion oder einem Trust in Utah zu tun. . . . Angesichts ihrer Organisation und der Methoden der Gewinnverteilung müssen wir aber der Zion's Cooperative Mercantile Institution den genossenschaftlichen Charakter absprechen." "Gemeinwirtschaft und Unternehmungsformen im Mormonenstaat," *Jahrbuch für Gesetzgebung*, 31 Jahrg., 89-139, 1907

“ It is true that a large proportion of the stock has been concentrated in a few hands and that the original idea of having all the people shareholders has in a certain sense been defeated.”<sup>1</sup> How do these opinions conform with the facts? The facts are simple enough. The original articles of incorporation, published by the promoters in pamphlet form in 1870, contain the decisive information. Section 24 of the articles recites:

The persons whose names and residences are as hereinbefore set forth, have each subscribed for the number of shares of the capital stock of said Zion's Coöperative Mercantile Institution as is hereinafter set opposite their respective names and have paid for the same in full into the treasury of said Institution, and at the par value thereof. — The names and numbers of shares being as follows, viz.:

Brigham Young	772	\$77,200
George A. Smith	3	300
William Jennings	790	79,000
William H. Hooper	110	11,000
David Day	100	10,000
Brigham Young, Jr.	53	5,300
Joseph Woodmansee	50	5,000 <sup>2</sup>

Then follow fourteen other shareholders only one of whom owns as many as 21 shares. The total is 1990 shares. From these statistics the rather surprising fact is disclosed that four men possessed 1772 of the 1990 shares which constituted the company's stock at its incorporation.

In this connection it is to be noted that the Z. C. M. I., like the smaller retail stores, divided profits on the basis of shares of stock held and not according to the amount of purchases made. Voting similarly was

<sup>1</sup> History of Utah, vol II, p. 294.

<sup>2</sup> Zion's Coöperative Mercantile Institution: Agreement, Order, Certificate of Incorporation, and By-Laws. Published in Deseret News Book Store, 1870, p. 7.

Tullidge (History of Salt Lake City, p. 725), says there is only one copy of this pamphlet in existence, and that is “ preserved by the secretary of the Institution.” But the writer found another copy in the Harvard Library, from which quotations in this article are made

based on shares and not determined by the principle "one man, one vote." But the very thing was lacking in the parent institution which gave the smaller establishments their distinctive coöperative aspect; and that was a multiplicity of small owners holding approximately the same amount of stock. At its inception, therefore, the Z. C. M. I. was not a real coöperative store, as that designation is usually understood. Nor did the situation change materially with the lapse of time. In 1895 the company issued copies of its articles of re-incorporation, which contain the names and holdings of its stockholders at that time, twenty-six years after its establishment. They numbered only 40, of whom five owned 8348 of the 10,770 shares, one of the five, however, holding 5833 shares as trustee.<sup>1</sup> The fact that there are today 650 stockholders shows that the ownership has lately become more distributed instead of concentrated, but certainly not to a sufficient extent to make the Z. C. M. I. a coöperative store of the Rochdale type.

The Institution is entitled to more credit, however, than this classification accords it. Even if it lacked coöperative organization and methods, its owners nevertheless maintained a coöperative aim. The most cynical observer will hardly deny the immense good it has done for the people of the state of all classes and creeds. Not only has it provided goods at reasonable prices when local conditions made it perfectly easy to do otherwise, but it has by that very practice forced other merchants to do the same thing, to the ultimate benefit of the purchaser. Five years after its establishment the founders of Z. C. M. I. issued a public statement in which they said: "From its foundation until

<sup>1</sup> Zion's Coöperative Mercantile Institution Articles of Re-incorporation, etc., Salt Lake City, Utah George Q. Cannon & Sons Co., Printers, 1895, pp 7-8.

the present it has never advanced the price of any article because of its scarcity.”<sup>1</sup> The same statement might be made today with equal truth.

Whether the Z. C. M. I. be regarded as a genuine coöperative store or not, that character, as has already been pointed out, cannot be denied the 150 smaller stores which followed it throughout Utah and the adjoining states. They form a body of evidence of such reliability and of such extent as to place beyond any reasonable doubt the success attained by the Mormons in commercial coöperation. It is probably true that this second phase of associative activity was not as truly coöperative as the first united effort in colonization. Yet the Mormon “coöps,” existing still with but slightly modified attributes, possessing much the same aims, methods, and functions as at first, and with their original usefulness not seriously impaired, stand today a monument to the vitality of the principles upon which they were based.

### III

The third type of coöperation among the Mormons is industrial. Just as the concerted effort in colonization laid the foundation for coöperative stores, so the success of the latter led up to the establishment of associative industrial enterprise. Much the same idea of self-dependence which was noted as the immediate impetus for starting the Z. C. M. I. lay back of the entrance into the industrial field. The Mormon people conceived it to be the wisest plan to rely, as completely as possible, upon their own manufactures. Efficient irrigation systems and prosperous coöperative stores bore convincing testimony of the practicability of united effort;

<sup>1</sup> Address to Latter-day Saints, July 10, 1875, p. 5.

while the almost unrivaled resources of the state, both in variety and in extent, together with an adequate labor supply from the constantly increasing stream of Mormon converts, made up the elements to which the same principles could be applied in industry. So a campaign was instituted which in vigor and effect has steadily increased up to the present, a campaign centered around the slogan, "Patronize home industry." Not only in public gatherings has this doctrine been advocated, but repeatedly from every Mormon pulpit in the Rocky Mountains. The result is the formation of a vast system of industries.

Perhaps the first attempt of any consequence was the establishment of a number of woolen mills. To stimulate this industry the legislature, in 1869, had appropriated \$5,000 with which to purchase improved breeds of sheep and bring them into the territory. The most notable concern was the Provo Woolen Mills. To quote Bancroft: "It was built in 1872, on the coöperative plan, the people of Utah County being asked to contribute money or labor for the purpose and the material obtained at small cost. . . . For several years this factory was the largest west of the Missouri River."<sup>1</sup> By 1882 ten mills with an equipment of 120 looms and 15,000 spindles produced cloth to the value of \$300,000; but this supplied only one-eighth of the local consumption, the balance of the wool from the 450,000 head of sheep being shipped east for manufacturing. Most of these factories have been closed for many years. Even the largest, at Provo, has only recently resumed operations, after having been sold to private capital.

The greatest of the Mormon financial enterprises was originated in 1890 — the beet sugar industry. As early as 1852 machinery had been purchased in France,

<sup>1</sup> History of Utah, pp. 731-32.

freighted across the plains by ox teams, and set up in Salt Lake City in an effort to make sugar; but the attempt was premature. Over thirty-five years later several far-sighted financiers of Utah undertook an investigation into the two beet sugar factories then existing in the United States at Grand Island, Nebraska, and Oxnard, California. They deemed the industry practicable for the inter-mountain region, so they incorporated the Utah Sugar Company on September 11, 1889. The original stockholders numbered 28, and they furnished a capital of \$15,000, divided into shares of \$10 par value. The stock issue was then thrown open for the public and a spirited campaign commenced. Not only did the incorporators themselves urge the people to invest, but the Church leaders gave the new concern their enthusiastic approval. The response was widespread, the stockholders exceeding 700, many of whom were men and women of moderate and even of scanty means. Finally, when the success of the project hung in the balance, the Church itself granted a substantial sum for the purchase of stock. At a cost of \$500,000 the first factory was constructed at Lehi, and by the summer of 1891 it was ready to commence operations. The initial campaign in the fall and winter of that year produced 1,000,000 pounds of refined (granulated) sugar from the first crop of sugar beets ever raised by irrigation. The factory has been operated at full capacity every year since.

Particularly in the beginning, this industry offers an excellent example of the Mormon coöperative system and its benefits. The sugar company itself cultivated practically no beets, but relied on the near-by farmers for them, many of whom also owned stock in the company and therefore had a double financial interest in its success. Among the employees in the factory were also



a considerable number of small shareholders; indeed, after the harvest was in, not a few of the farmers could obtain employment there. Besides improving their land by the intensive cultivation which the successful raising of sugar beets by irrigation requires, the farmers had an unfailing money market for their crop. This not only benefited them, but also indirectly the merchants and traders, by putting more money into circulation. Furthermore, a rise in land values always resulted. Thus in a variety of ways participants in the coöperative system prospered.

But matters remained in this desirable situation little more than a decade. In 1903 the company, encouraged by its past success and the promising future of the industry, entered upon a policy of expansion. It constructed new factories in northern Utah and in Idaho, formed a new corporation, the Idaho Sugar Company, and increased its own capital stock. (Later all the companies were merged into one, the present Utah-Idaho Sugar Company, with a capital stock of \$10,000,000.) These operations did not escape the notice of powerful eastern financial interests, and shortly thereafter the American Sugar Refining Company secured a majority of the stock. To accomplish this result most of the small shareholders were induced, for profitable considerations it is true, to part with their holdings. The effect was to destroy the coöperative aspect of the industry; henceforth there was only a plain joint stock company. Nor was the original basis restored when, in 1914, Utah capital, of which the Mormon Church furnished part,<sup>1</sup> secured complete control of the company by buying out the eastern shareholders. It is now coöperative only to the extent that its operations are

<sup>1</sup> Charles W. Nibley, Presiding Bishop of the Church of Jesus Christ of Latter-day Saints, *Facts about Sugar*, Salt Lake City, Utah, June 17, 1916, pp. 10-11. (Bishop Nibley is the official who has direct charge of the Church's financial operations.)

directed by men who originally sponsored the coöperative idea and are still presumably in favor of it, and only so far as approximately 2000 shareholders, the present number, make a \$10,000,000 corporation coöperative. The beet sugar industry in the Great Basin, which had its origin in the Mormon coöperative system, has now developed, as is well known, to gigantic size.<sup>1</sup>

A society of landed proprietors, such as made up the the population of Utah, would naturally be confronted with the problem of providing adequate agricultural implements. The Z. C. M. I. did not deal in farming tools and vehicles, so the feasibility of having a separate coöperative organization to supply these articles soon became apparent. In 1883, a \$100,000 company was launched, the stock subscription being thrown open to the general public, as in other Mormon enterprises purporting to be coöperative. Up to 1902 the capital stock was increased annually, and by that time there were 500 shareholders. In that year the present Consolidated Wagon and Machine Company was incorporated. It is a \$2,500,000 concern and its letter head

<sup>1</sup> The following tabulation, based on a private letter from Mr W T Piper, Assistant Secretary and Treasurer of the Utah-Idaho Sugar Company, shows the expansion of the original company.

Name of factory	State	Built	Capacity <sup>a</sup>
Lehi	Utah	1891	1165
Garland	"	1903	954
Idaho Falls	Idaho	1903	941
Sugar City	"	1904	894
Blackfoot	"	1904	866
Elsinore	Utah	1911	620
Payson	"	1913	709
Spanish Fork	"	1916	1000
West Jordan	"	1916	600
Brigham City	"	1916	600
Grants Pass	Oregon	1916	600
Yakima	Wash	1917	600
Total			9549

In 1915 the company produced 174,929,800 pounds of refined, granulated sugar

<sup>a</sup> Tons of beets per twenty-four hours

carries the claim: "largest retail implement house in the world." Its total sales in the last year reached the sum of \$2,750,000; and sales to date approximate \$100,000,000. The company employs between 300 and 400 persons and maintains 50 branches in different parts of the intermountain country.<sup>1</sup> It has now about 700 stockholders, which means an average holding of almost \$3600. From these statistics it appears that with the growth of the company has come an ownership increasingly more distributed, but there has never been any practice of allowing purchasers to share in the profits or the management. A more hopeful sign to the student of coöperation is the rapidly growing number of local farmers' consumers' organizations which deal directly with the manufacturer and purchase their implements, vehicles, and supplies at wholesale. According to announced plans, these associations follow the Rochdale system rather closely, since they pay a fixed return to capital, reserve a definite percentage of the profits for improvement of plant, and distribute the rest to buyers pro rata according to the amount of purchases made.

For a people who had adopted as a slogan and as a practice "Patronize home industry," it became increasingly evident each year that millions of dollars were being sent East for life insurance which might be kept at home. Accordingly, the Church authorities took the lead in organizing, in 1905, the Beneficial Life Insurance Company, capitalized at \$100,000. Using the same well-established methods, a list of stockholders numbering 200 was obtained from all parts of the state. The capital was later enlarged to \$200,000. The company has prospered from the beginning and today its business

<sup>1</sup> From a private letter from Mr. George T. Odell, General Manager of the Consolidated Wagon & Machine Company

operations extend through ten western states. In the annual statement issued December 31, 1915, it reported gross assets of \$1,465,440.45, surplus to policy holders of \$264,961.09, and \$16,577,044 of insurance in force. The present shareholders number approximately 100. This points to retrogression, rather than progress, along coöperative lines. Indeed it cannot be consistently claimed that this company is more coöperative in character than most of the other life insurance companies doing business in the state, and certainly not any more than the other two local companies. The Educational Director gives the following explanation of the present ownership of the company: "Of course the stock is placed on the open market and we have no way of keeping it scattered; nor has any attempt been made to concentrate beyond having sufficient of it in such shape that the President of the Company is able to guide its affairs without danger of conflicting interests interfering." <sup>1</sup>

The latest and most curious of the so-called coöperative concerns is the Hotel Utah. Impressed with the idea that the rapid growth of Salt Lake City warranted the maintenance of a modern hotel of metropolitan proportions and functions, the Utah Hotel Company was organized May 19, 1909, with a capital of \$1,005,000. This with a bond issue of \$1,000,000, made it possible to erect a \$2,000,000 hotel. When completed, the building was leased to the Hotel Utah Operating Company, whose stockholders are practically the same as in the Hotel Company. From the original number of 72 stockholders at the time of incorporating, has now grown the present body of 85 shareholders. The hotel has prospered from the first, but the mere recital of

<sup>1</sup> From a private letter from Mr John D. Giles, Educational Director of the Beneficial Life Insurance Company

these figures is sufficient to show that it is not a co-operative industry.<sup>1</sup>

In none of these Mormon industries has there ever been any practice of dividing profits with purchasers. Nor, so far as known, has profit-sharing with employees in the form of extra wages in proportion to company earnings been customary with them. Profits have accrued solely to shareholders. All are highly successful business institutions which have performed an inestimable part in the commercial development of the state; but they are not coöperative. In comparison, therefore, with Mormon associated endeavors in colonization and in commerce, their so-called coöperation in the industrial field appears to disadvantage. Admittedly some industries tended towards coöperative methods at their inception; but there has been a steady trend away from such methods until today there remains among the Mormons not a single industry (as distinguished from the colonizing schemes and coöperative stores), which satisfies coöperative requirements.

<sup>1</sup> Other companies in which the Mormon Church has been, or is at present, interested are the Inland Crystal Salt Company, the Utah State National Bank, Zion's Savings Bank and Trust Company, the Salt Lake and Los Angeles Railroad Company, Salt Air Beach Company, Salt Lake Knitting Company, Deseret News Publishing Company, the Salt Lake Theatre, the former Utah Light and Railway Company, and the Union Pacific Railroad. But as these are in no wise coöperative organizations, they are not considered here. A most interesting article, which does discuss them, is found in *World's Work* for December, 1902 "A Successful Coöperative Society," by Glen Miller. See also "Proceedings before the Committee on Privileges and Elections of the United States Senate in the Matter of the Protests against the Right of Honorable Reed Smoot, a Senator from the State of Utah, to Hold His Seat" 59th Congress, Senate Document 486, Washington, 1906, vol i, pp 81-87.

In Utah are also a comparatively large number of building and loan associations. But they are of a type common to the whole United States, and do not bear any distinct relation to Mormon cooperation. The small country banks in the state approach somewhat nearer to the usual Mormon cooperative type, but in general their organization and functions are similar to rural banks elsewhere.

## IV

Such is the history of coöperation among the Mormons. It discloses an economic phenomenon not paralleled elsewhere, for the simple reason that history has not otherwise seen a combination made up of people like the Mormons and of conditions similar to those in the Great Basin. And its growth has been as remarkable as its uniqueness. From the digging of the first irrigation ditch it has developed into the present vast system of agriculture, commerce, and industry, with their ramifications over the entire arid West. Having traced this growth, it remains now, by way of conclusion, only to point out the chief factors responsible for it in the past, and to determine its present status.

Three elements have stood out as the underlying causes: first, the physiographic conditions; second, the religious organization of the Mormons; and third, Brigham Young.

Mention has already been made of the arid conditions in Utah which led the pioneers to evolve irrigation. This was, of course, only the inevitable response to environmental influence, a natural functioning of the stern law of necessity. The irrigation system grew up because it had to; and coöperation came into being because it was found to be the sole means of furnishing the canals which irrigation required.

But the mere physical conditions could not alone have been responsible for the coöperative system which arose. Other parts of the arid West have since been reclaimed without bringing forth such a method. The existence of coöperation in early Utah and its absence in neighboring states when physical conditions were identical must be accounted for by a difference in social

structure. In near-by states the colonists acted individually and were not connected with each other by any particular interest, while in Utah there existed a compact social body, closely united by common ties and easily capable of being used as a vehicle to cope with general needs. This common bond was the peculiar church organization and religion of the Mormon people. With an organization particularly fitted for efficient united endeavor, with religious ideals which impelled them to assist each other in practical as well as spiritual matters, with an adaptability for following leadership which is the very basic foundation of successful co-operation, it was perfectly natural that they should associate together to provide their economic needs.<sup>1</sup>

If the Mormon leaders are to be given a measure of credit for instituting coöperation, by far the most of it is due to Brigham Young. He it was who perceived the ability of the Mormon people to become coöperators and rendered that ability concretely tangible. Shrewd, forceful, energetic, and far-sighted, he was preëminently fitted to lead his pioneer people. "Whatever else may be said of Brigham Young," remarks Ray Stannard Baker, "he was a great general, a magnetic leader of crude tho undeniable power, and a shrewd law giver. We may scout the idea that he was in truth a divine prophet, but we may scarcely deny him a large gift of the prophetic imagination. He was perhaps the grossest materialist of his time, but he got results."<sup>2</sup>

And now, finally, what shall be said of the present condition of Mormon coöperation? Is the superstructure of a kind with the foundation or of an entirely different type? Fifteen years ago Professor Ely was

<sup>1</sup> Amos G. Warner believed this to be the chief factor in accounting for their accomplishments. *Three Phases of Cooperation in the West*. American Economic Association Publications, 1887, vol. II, No. 1, pp. 118-19.

<sup>2</sup> "The Vitality of Mormonism," *Century Magazine*, June, 1904, p. 165.

inclined to believe that the original aims had been somewhat lost sight of. "The present condition of coöperation among the Mormons," he says, "is one which indicates retrogression rather than progress, and it is not wholly encouraging to believers in coöperative principles."<sup>1</sup> It is hard to escape from this conclusion. Certainly the study of the three different stages of Mormon coöperation bears it out. In the first stage, that of colonization, coöperative standards were maintained; the second phase, which had to do with the retail stores, experienced a noticeable departure from characteristics generally found elsewhere in coöperative associations; while the final type, evidenced in the industrial field, was hardly coöperative at all. Yet to say that each successive stage moved farther away from coöperative requirements than its predecessor neither means that no coöperative enterprises remain among the Mormons, nor that the methods actually used were not skillfully adapted to accomplish the purposes at hand. It has already been pointed out that the Mormons in their colonizing schemes provide their irrigation systems in substantially the same manner as in pioneer times, by united endeavor. The numerous small retail stores are yet performing much the same rôle of commercial usefulness as at first. And it can hardly be denied that the Mormon industrial and commercial system, which largely originated in their coöperative schemes, has made them a prosperous and independent people. It is natural that the Mormons, viewing their attempts at coöperation in the light of economic results, are not disposed to be dissatisfied with them.

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<sup>1</sup> "Economic Aspects of Mormonism," *Harper's Magazine*, April, 1903, p. 671